

Message Text

UNCLASSIFIED

PAGE 01 STATE 252824 TOSEC 160308

60

ORIGIN PA-02

INFO OCT-01 SS-15 PRS-01 SSO-00 NSCE-00 CCO-00 ISO-00 /019 R

DRAFTED BY PA/M:JCHAMBERLAIN:JC

APPROVED BY PA/M:WJDYESS

S/S -FVORTIZ

DESIRED DISTRIBUTION

PA, S/S, S/PRS

----- 111223

P 232319Z OCT 75 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY PRIORITY

UNCLAS STATE 252824 TOSEC 160308

E.O. 11652: N/A

AGS: SOPN, US, UR, PFOR, EAGR, ETRD

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT NEW YORK TIMES EDITORIAL, THURSDAY, OCTOBER 23, HEADED "SENSIBLE GRAIN DEAL."

2. ATTACKS LAUNCHED BY SEVERAL MAJOR FARM ORGANIZATIONS AGAINST THE FIVE-YEAR AGREEMENT ON GRAIN PURCHASES BETWEEN THE FORD ADMINISTRATION AND MOSCOW CAN READILY BE DISMISSED AS A SELF-SERVING EFFORT TO REAP GREATER PROFITS. DESPITE THE FARMER'S IDEOLOGICAL POSE AS DEFENDERS OF THE FREE-ENTERPRISE MARKET, THE ACTUAL CAUSE OF THEIR DISCONTENT IS FEAR THAT THE AGREEMENT WILL PREVENT GRAIN PRICES FROM GOING AS HIGH AS THEY MIGHT WITHOUT SUCH GOVERNMENTAL BARGAINING.

3. THE NEW AGREEMENT HEEDS THE LESSONS LEARNED EARLIER IN THIS DECADE ABOUT THE ROLLER-COASTER PRICE PATTERN THAT CAN RESULT FROM INTERMITTENT MASSIVE SOVIET PURCHASES. MOSCOW HAS NOW AGREED TO BUY A MINIMUM OF SIX TO EIGHT MILLION TONS OF AMERICAN GRAIN ANNUALLY OVER THE NEXT FIVE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 252824 TOSEC 160308

YEARS, AND TO CONSULT WITH THE UNITED STATES GOVERNMENT

IF, AT ANY TIME, IT NEEDS MORE.

4. THUS, INSTEAD OF CONCENTRATING THEIR PURCHASES IN YEARS OF CROP FAILURE, WHILE BUYING LITTLE OR NOTHING IN OTHER YEARS, SOVIET PURCHASING AGENTS WILL IMPORT A STEADY MINIMUM AMOUNT, CARRYING UNNEEDED RESERVES FROM ONE YEAR TO THE NEXT. AT THE SAME TIME, THE UNITED STATES GOVERNMENT WILL GET A CHANCE TO DETERMINE IN ADVANCE WHETHER ADDITIONAL PURCHASES SHOULD BE AUTHORIZED IN THE LIGHT OF ANTICIPATED HARVESTS, DOMESTIC NEEDS AND COMMITMENTS TO OTHER BUYERS.

5. SUCH A SENSIBLE ARRANGEMENT SHOULD HELP ASSURE FARMERS OF AN EXPANDED BUT STEADY MARKET, WHILE SAFEGUARDING CONSUMERS AGAINST A REPETITION OF THE UPSURGE IN FOOD PRICES THAT RESULTED FROM THE SOVIET GRAIN PURCHASE IN 1972-73. MOREOVER, AN ESCAPE CLAUSE RELIEVES THE UNITED STATES OF ITS EXPORT OBLIGATIONS SHOULD A NATURAL DISASTER REDUCE GRAIN PRODUCTION BELOW A PREDESIGNATED FIGURE.

6. THROUGH AN OIL APPENDIX TO THE GRAIN DEAL WASHINGTON HOPES TO GET MOSCOW TO AGREE TO THE SALE OF UP TO 200,000 BARRELS OF PETROLEUM AND PETROLEUM PRODUCTS DAILY--A SMALL PERCENTAGE OF THE NATIONAL CONSUMPTION--AT A PRICE BELOW THE OPEC CARTEL'S QUOTATION. MOSCOW, FOR BOTH ECONOMIC AND POLITICAL REASONS, CONTINUES TO RESIST THAT PART OF THE BARGAIN. BUT BY LINKING GRAIN AND OIL, WASHINGTON HAS IMPLICITLY GIVEN NOTICE THAT NO LAW OF NATURE REQUIRES GRAIN PRICES TO BE SET IN A FREELY COMPETITIVE MARKET WHILE OIL PRICES ARE FIXED BY A SMALL CLIQUE OF PRODUCING NATIONS. (END TEXT) INGERSOLL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, PRESS COMMENTS, SALES, GRAINS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE252824
Document Source: CORE
Document Unique ID: 00
Drafter: JCHAMBERLAIN:JC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750369-0367
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751027/aaaaaxri.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 SEP 2003 by MaustMC>; APPROVED <11 FEB 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS MATERIAL
TAGS: SOPN, PFOR, ETRD, EAGR, UR, US, NEW YORK TIMES
To: SECRETARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006